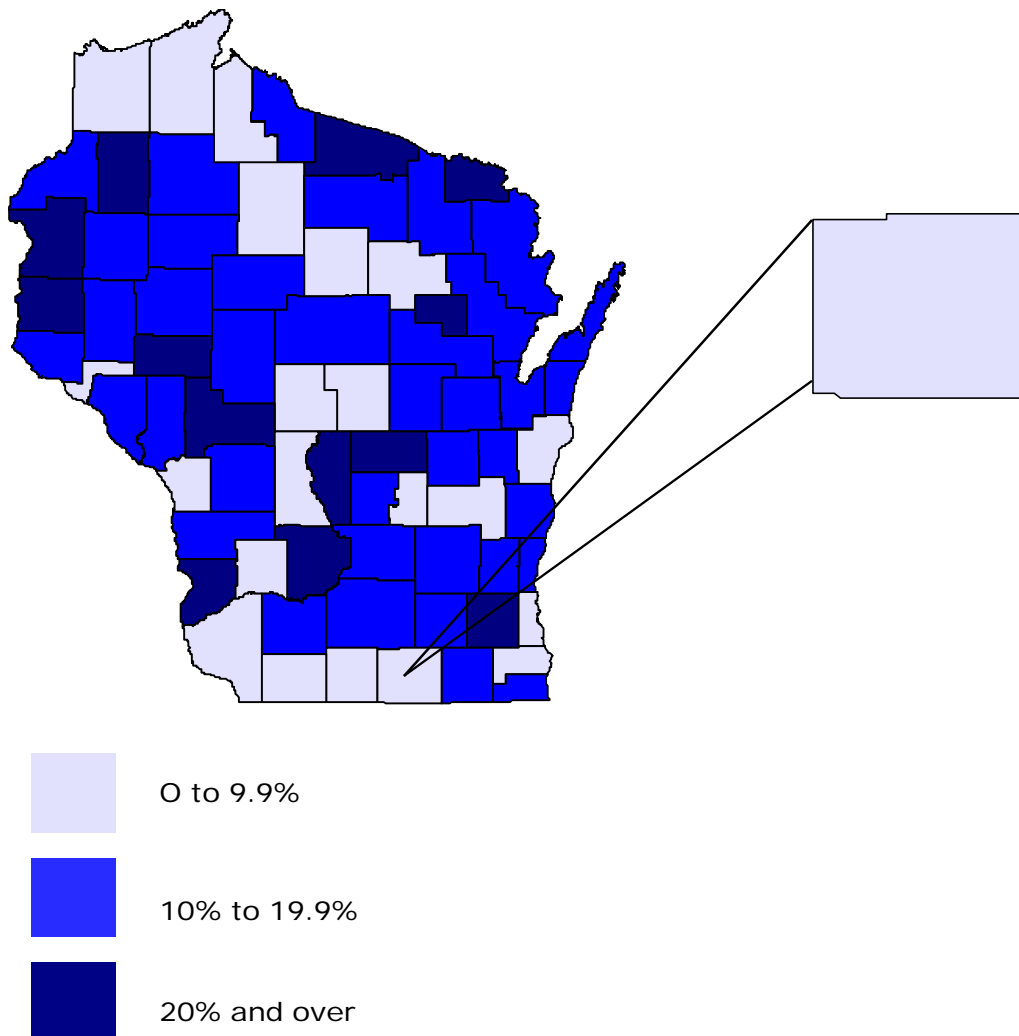


Rock County Workforce Profile

Job Growth 1994 to 1999



**Wisconsin Department of Workforce Development
Division of Workforce Solutions
Bureau of Workforce Information
October 2001**



Introduction

The County Workforce Profile has been developed by the Wisconsin Department of Workforce Development's (DWD) Bureau of Workforce Information (BWI) to provide a broad overview of Rock County's labor market. The data included in this fourth year of publication is for 1999 to maintain consistency with the previous publications and to provide the user with a single year of reference in order to draw comparisons and form a picture of related labor force and employment information.

A variety of economic and demographic labor market information have been provided to describe the current labor market conditions in the counties and regions of Wisconsin. That information includes 1999 data on population, labor force, industries, employment, wages and income. The narrative describes how local conditions have changed over one-year and five-year intervals. Although population information is available from the 2000 census, it is not included in this publication since the period of time selected for all data sets is 1999. For more recent releases of information please consult the Wisconsin Department of Workforce Development Labor Market Information website: <http://www.dwd.state.wi.us/lmi>.

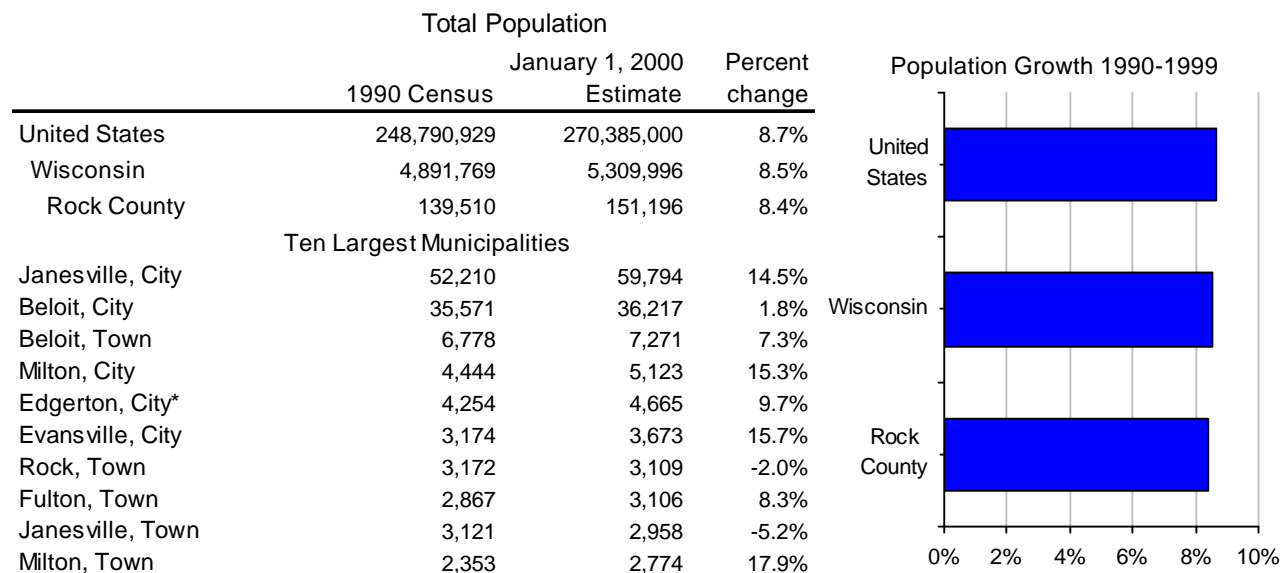
For more detailed information or clarification, please contact your local labor market analyst,
Bill Brockmiller, by telephone (608-785-9337) or email (brockwi@dwd.state.wi.us).

DWD is an equal opportunity service provider. If you need assistance to access services or material in an alternate format, please contact the analyst listed above.

Rock County Population and Civilian Labor Force

After experiencing virtually no growth between 1980 and 1990, Rock County has grown by a respectable 8.4 percent during the first nine years of the 90s decade, nearly as fast as the state as a whole, and only slightly slower than the nation. The majority of growth, in terms of absolute numbers, has been in Janesville (+7,000).

Almost 62 percent of the population growth occurring during this decade in Rock County can be attributed to natural increase (more births than deaths). The remaining 38 percent of population growth in Rock County is due to positive net migration (more people moving into the county than out of the county). These figures are important for economic development issues, as population increases due to natural forces are generally not ready to enter the labor force for at least 16 years after birth. Population growth appears to be centered in the northern part of the county, in places like Evansville, Janesville, Milton, and Fulton. Population growth is expected to continue in core cities, such as Janesville, as well as peripheral cities such as Milton and Evansville which provide labor for Janesville and Beloit as well as Madison in Dane County.

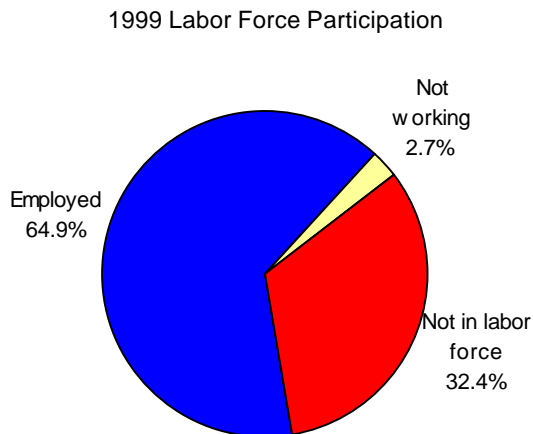


* Rock County portion only

Source: WI Dept. of Admin., Demographic Services Center, *Official Population Estimates*, January 1, 2000

The labor force is the sum of employed and unemployed persons who are 16 years old and older. (Readers should bear in mind that many people who are not working are not included in the Bureau of Labor Statistics definition of unemployed. People who choose not to work, or have become discouraged and stopped looking for work, are not included.) Between 1990 and 1999 the population in Rock County increased 8.4 percent. During that period the nonfarm job total increased by 17.2 percent and the labor force increased by 7.9 percent.

The "participation rate" is the percentage of the total resident population, aged 16 and over, who are working or seeking employment. Many social and economic factors influence the participation rate in a given area. The number one reason for the dramatic shift in the rate during the last 20 years has been caused by the increasing number of females entering the workforce. At a statewide level it's likely that both the male and female participation rate near their natural maximum, and further gains in the workforce will have to come from other sources. However, in Rock County there appears to be room for growth in the labor force participation rate.



In 1990, the Rock County labor force participation rate was 68.5 percent, increasing to as much as 71.5 percent during the middle of the decade, but falling again in the later part of the decade. The labor force participation rate in Rock County in 1999 was 67.6 percent. That figure is slightly higher than the national level of 67.1 percent but lower than the state level of 72.3 percent, both current for 1999.

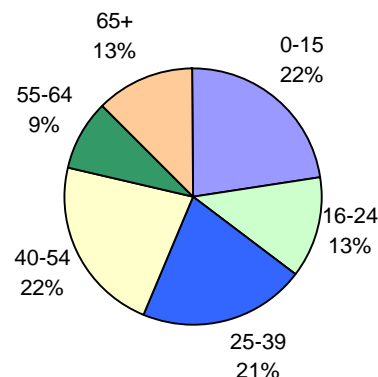
Source: Estimated from WI Dept of Administration population estimates, Jan 2000, US Census Bureau, and Local Area Unemployment Statistics

An examination of both charts below highlights important aspects about the area workforce for future planning. The largest increase in population by age cohort will be among those aged 40-54. In Rock County, this

age cohort has increased by almost 40 percent since 1990. Increases will also occur in older age cohorts, and in the future may constrict labor force participation. This phenomenon is what some analysts call the "graying of America", and is the reason that demand for health care and others services for the elderly will continue to increase. The nominal increase in population of those aged 0-15 and the decrease in population in the 25-39 age cohort will create a labor shortage, as employers will continue to struggle to find available workers.

Rock County Labor Force Age Population Distribution

| Age Group | Population 1990 Census | Population 1999 Estimate | Percent change |
|-----------|------------------------|--------------------------|----------------|
| 0-15 | 34,029 | 34,539 | 1.5% |
| 16-24 | 17,638 | 18,965 | 7.5% |
| 25-39 | 33,570 | 31,175 | -7.1% |
| 40-54 | 24,392 | 33,980 | 39.3% |
| 55-64 | 12,325 | 13,581 | 10.2% |
| 65+ | 17,556 | 18,955 | 8.0% |



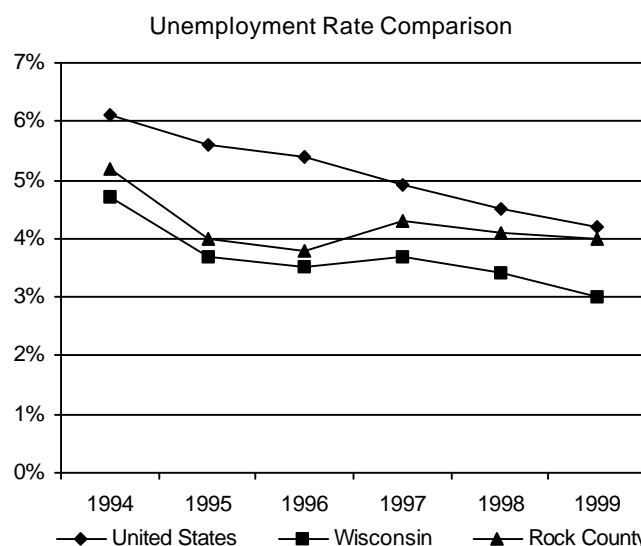
Source: Estimated from WI Dept of Admin, Demographic Services Center, Official Population Projections 1990-2020 and US Census Bureau

Rock County Civilian Labor Force Data

| | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 |
|-------------------|--------|--------|--------|--------|--------|--------|
| Labor Force | 76,100 | 78,300 | 79,700 | 80,800 | 79,700 | 77,700 |
| Employed | 72,100 | 75,200 | 76,600 | 77,300 | 76,400 | 74,600 |
| Unemployed | 3,980 | 3,120 | 3,040 | 3,440 | 3,270 | 3,110 |
| Unemployment Rate | 5.2% | 4.0% | 3.8% | 4.3% | 4.1% | 4.0% |

Source: WI DWD, Bureau of Workforce Information, Local Area Unemployment Statistics

The graph to the right demonstrates the unemployment experience of Rock County citizens over the past five years. One obvious observation is the high unemployment that existed during 1993, the tail end of the last recession. Due to the high concentration of manufacturing jobs in the area, the recession hit this area harder than others. Regions which are dependent on manufacturing are more sensitive to interest rate changes, therefore, recessionary periods tend to exacerbate economic hardship. The recession was further worsened by a similar downturn in northern Illinois, which draws a large number of workers from Rock County, mainly for work in manufacturing plants in bordering counties.



Source: WI DWD, Bureau of Workforce Information, Local Area Unemployment Statistics

For a number of years now, Rock County unemployment rates have been running below national rates. However, since 1999, unemployment rates have continued to edge up in Rock County and in some cases have passed the national unemployment rate. Rock County unemployment rates are still quite low as compared to past recessionary periods such as the early 90s recession and the mid-80s recession.

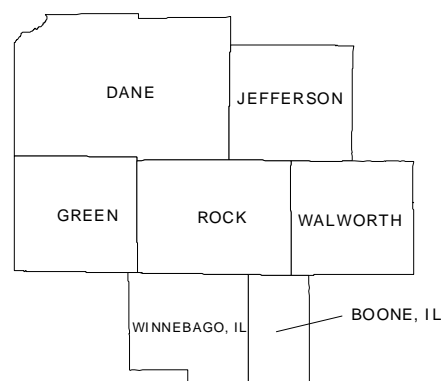
While Rock County unemployment rates are higher than statewide rates, Rock County rates followed roughly the same path until 1998. In 1998 statewide rates turned downward and Rock County rates diverged from that path and started to rise. Part of the reason for this divergence lies in Rock County's industrial mix. Rock County's prosperity more directly relies on the health of the manufacturing sector than the state's economy health does. The closing of several manufacturing facilities in the late 1990's had the effect one would expect on Rock County unemployment rates.

Rock County Commuting Patterns

| | Commute From Rock Co | Commute Into Rock Co. | Net Commute |
|------------------|-------------------------|--------------------------|----------------|
| Illinois | 6,127 | 2,469 | -3,658 |
| Dane County | 2,779 | 1,512 | -1,267 |
| Walworth County | 1,800 | 896 | -904 |
| Jefferson County | 747 | 559 | -188 |
| Green County | 558 | 801 | 243 |
| Elsewhere | 1,266 | 13 | -1,253 |
| Total | 13,277 | 6,250 | -7,027 |

Work within Rock County 53,338

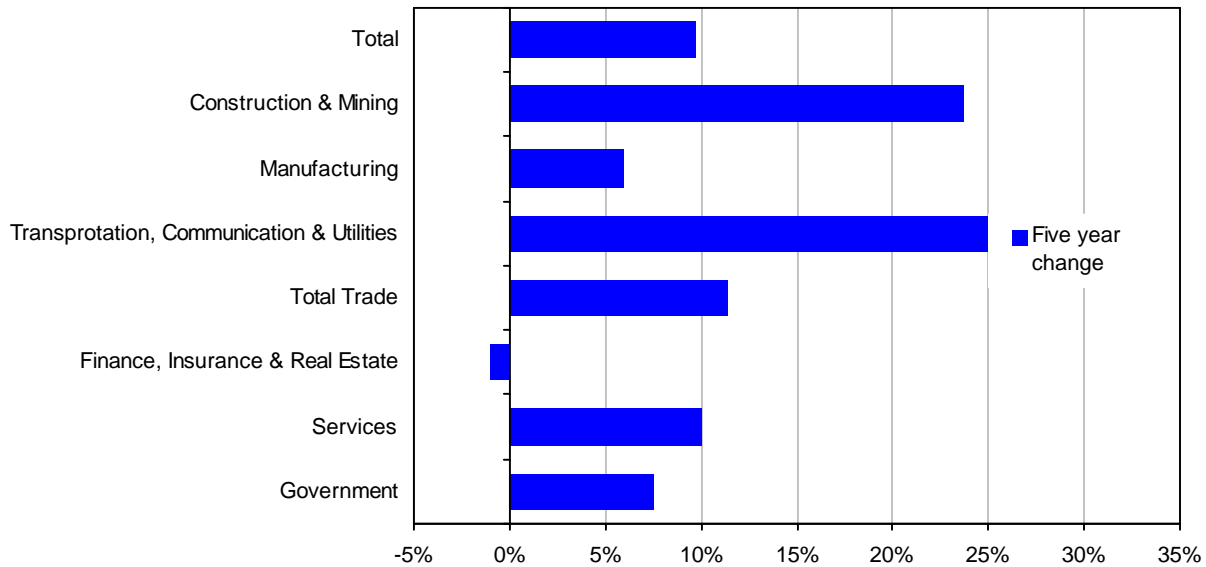
Source: WI DWD, Bureau of Workforce Information. *Wisconsin's Commuting Patterns*, 1994.



As noted above, as of the 1990 census, close to 20 percent of Rock County workers travel outside of the county for work. Close to 10 percent of the county's workforce leave their homes everyday for work in Illinois, mainly in areas with manufacturing plants, such as Belvidere or Rockford. Another area which has increased in attractiveness for Rock County workers is Dane County, specifically the Madison area. Areas which draw workers are largely determined by the transportation routes that crisscross Rock County; Interstate 90 is a popular route for most workers who work in Illinois or who are drawn to the core cities of the county, Janesville or Beloit.

Commuting patterns from Census 2000 are not available yet, though most analysts speculate that the major changes in commuting since 1990 will center on growth in bordering counties. The largest gainer appears to be Dane County, which has seen population growth explode in area towns outside of Madison. The growth that took place between 1980 and 1990 for Rock County workers commuting to Dane, Walworth and Jefferson counties is likely to continue into the future.

Rock County Employment Change by Industry 1994 to 1999



| | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | Percent change | |
|--|--------|--------|--------|--------|--------|--------|----------------|--------|
| | | | | | | | 1 year | 5 year |
| Total | 64,510 | 67,273 | 67,421 | 69,110 | 69,819 | 70,814 | 1.4% | 9.8% |
| Goods Producing | 21,720 | 23,790 | 23,772 | 23,771 | 23,441 | 23,474 | 0.1% | 8.1% |
| Construction & Mining | 2,530 | 2,675 | 2,669 | 2,686 | 2,806 | 3,130 | 11.5% | 23.7% |
| Manufacturing | 19,190 | 21,115 | 21,103 | 21,085 | 20,634 | 20,343 | -1.4% | 6.0% |
| Durable | 14,590 | 16,380 | 16,365 | 16,106 | 15,731 | 15,380 | -2.2% | 5.4% |
| Nondurable | 4,600 | 4,735 | 4,738 | 4,979 | 4,903 | 4,964 | 1.2% | 7.9% |
| Service Producing | 42,790 | 43,482 | 43,649 | 45,339 | 46,379 | 47,340 | 2.1% | 10.6% |
| Transportation, Communications & Utilities | 2,422 | 2,363 | 2,402 | 2,618 | 2,883 | 3,128 | 8.5% | 29.2% |
| Total Trade | 15,004 | 15,531 | 15,687 | 16,084 | 16,260 | 16,713 | 2.8% | 11.4% |
| Wholesale | 2,563 | 2,692 | 2,859 | 3,128 | 3,114 | 3,141 | 0.9% | 22.6% |
| Retail | 12,442 | 12,839 | 12,827 | 12,956 | 13,146 | 13,572 | 3.2% | 9.1% |
| Finance, Insurance, and Real Estate | 1,894 | 1,908 | 1,825 | 1,860 | 1,899 | 1,874 | -1.3% | -1.0% |
| Services & Misc. | 15,415 | 15,460 | 15,403 | 16,333 | 16,741 | 16,960 | 1.3% | 10.0% |
| Total Government | 8,056 | 8,220 | 8,333 | 8,446 | 8,596 | 8,665 | 0.8% | 7.6% |

Source: WIDWD, Bureau of Workforce Information, Nonfarm Wage & Salary estimates.

Nonfarm wage and salary employment measures the number of jobs within a county excluding agricultural, military, and self-employed workers. There is also no consideration with regard to the job-holders' residence. Thus, this information is often referred to as "place of work" data. This is a separate series from unemployment figures, which are derived from what is referred to as "place of residence" data. This is important to keep in mind when analyzing unemployment rates, as economic conditions in bordering counties or northern Illinois could affect unemployment rates in Rock County. As an example, recent announcements of layoffs in transportation and cell phone companies in northern Illinois will likely affect unemployment rates in Rock County, but will not have an effect on the nonfarm employment level in Rock.

Employment growth during the mid-90s was centered in durable goods manufacturing, a dominant sector in the county's economy. However, the late 90s and the early 21st century have brought with it layoffs in companies producing paper making machinery, writing utensils, trucking and shipping containers, tools, and boat engines. Growth continues in service, construction, and trade employment in Rock County. As of this writing, the medium duty truck line is in danger of closing at General Motors. Wholesale trade has experienced robust growth during the middle of the 90s decade, as national and regional trucking and distribution companies began to take advantage of Rock County's location on the Interstate system and geographic location along the Chicago transportation corridor. The service industry, particularly health and business services, are poised for continued growth in Rock County in the coming years.

Rock County's Largest Industries and Employers

Top 10 Industry Groups

| Industry Group | March 2000 | | Numerical Change | |
|-------------------------------------|------------|------------|------------------|---------|
| | Employers | Employment | 1 Year | 5 Years |
| Transportation Equipment | 9 | 6,038 | * | -1167 |
| Health Services | 134 | 5,862 | 48 | 450 |
| Educational Services | 23 | 5,467 | 203 | 584 |
| Eating And Drinking Places | 249 | 4,793 | 136 | 185 |
| Business Services | 133 | 3,566 | 400 | 318 |
| Industrial Machinery And Equipment | 61 | 2,963 | -225 | -1362 |
| Executive, Legislative, And General | 24 | 2,917 | -43 | -30 |
| Fabricated Metal Products | 30 | 2,239 | -83 | 902 |
| Wholesale Trade-Durable Goods | 121 | 2,223 | 123 | 465 |
| Food And Kindred Products | 16 | 2,189 | * | -20 |

*data suppressed to maintain confidentiality

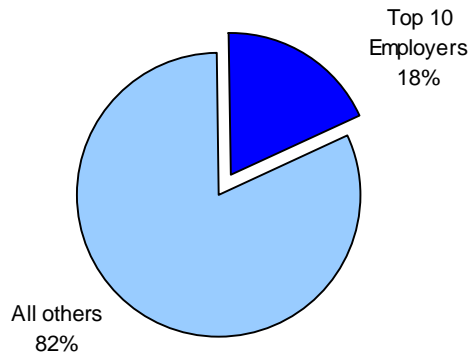
Top 10 Private Employers

| Company | Product or Service | Size |
|--------------------------|-------------------------------------|---------|
| General Motors | Automobile Manufacturing | 1000+ |
| Mercy Health System | Health Care Services | 1000+ |
| Ssi Technologies | Automotive Parts Manufacturing | 1000+ |
| Beloit Memorial Hospital | Health Care and Hospital | 500-999 |
| Lab Safety Supply | Miscellaneous Retail | 500-999 |
| Lear Midwest Automotive | Automotive Parts Manufacturing | 500-999 |
| Beloit Corporation * | Papermaking Machinery Manufacturing | 500-999 |
| Kerry | Food Manufacturing | 500-999 |
| Frito Lay | Food Manufacturing | 500-999 |
| Reynolds Wheels | Automotive Forgings | 500-999 |

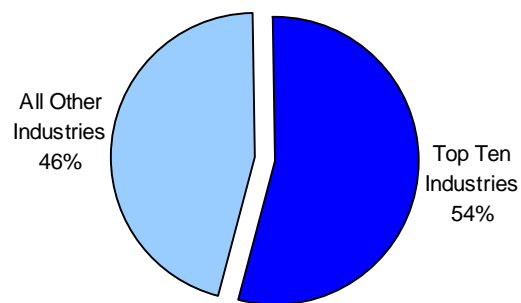
* Closed during the second quarter of 2000.

Source: WI DWD, Bureau of Workforce Information Bureau, ES-202 file tape, 1st quarter 1999 and LMI benchmark 2000.

Top 10 Private Employers Share of Nonfarm Employment



Top 10 Industry Groups Share of Nonfarm Employment



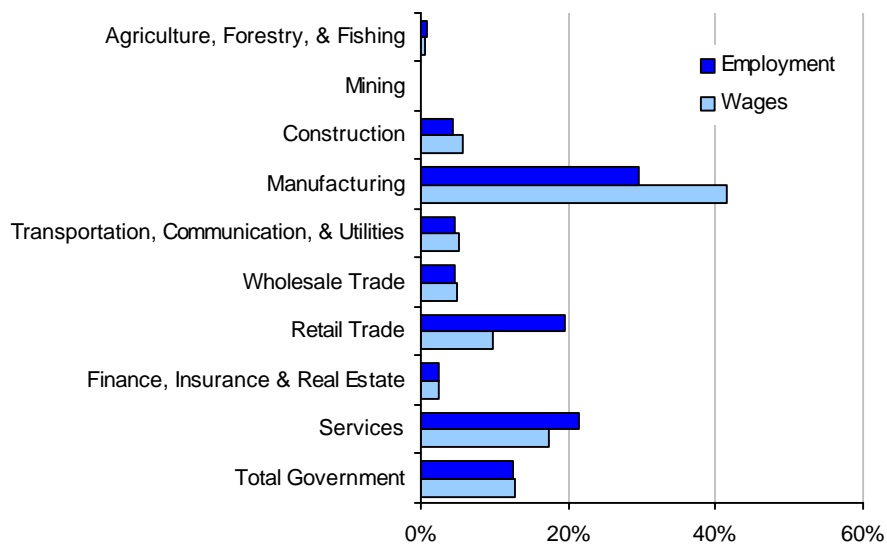
There were a total of 3,271 private sector employers in Rock County as of the 1st quarter of 1999. The top ten private sector employers employ 18 percent of all workers in the county. Seven of the top ten employers are involved in manufacturing, four of those in the production of durable goods. It is estimated that close to one in every ten employees working in Rock County is involved in the production of automobiles, either in assembly or in the production of raw materials for assembly.

Just over half of people working in Rock County work in one of the top ten industries. About 25 percent of people working in Rock County work in one of the top three industries in the county; transportation equipment, health services, and educational services.

Rock County Employment and Wages 1999

| | Annual Average Wage | State Average Wage | Percent of State Average | Percent change 1 year | Percent change 5 year | Number of Workers |
|---|------------------------|-----------------------|-----------------------------|--------------------------|--------------------------|----------------------|
| All Industries | \$30,495 | \$29,609 | 103.0% | 2.3% | 18.1% | 67,798 |
| Agriculture, Forestry, & Fishing | \$20,369 | \$21,499 | 94.7% | -1.3% | 25.9% | 528 |
| Mining | * | \$39,968 | * | * | * | * |
| Construction | \$38,812 | \$36,772 | 105.5% | 0.2% | 31.6% | 3,014 |
| Manufacturing | \$42,726 | \$37,773 | 113.1% | 2.6% | 12.4% | 20,108 |
| Transportation, Communications, & Utilities | \$34,273 | \$34,523 | 99.3% | -1.3% | 4.6% | 3,067 |
| Wholesale Trade | \$31,616 | \$38,048 | 83.1% | 0.2% | 23.2% | 3,119 |
| Retail Trade | \$15,256 | \$15,066 | 101.3% | 2.8% | 15.6% | 13,216 |
| Finance, Insurance, & Real estate | \$28,268 | \$37,911 | 74.6% | 4.5% | 23.3% | 1,735 |
| Services | \$24,733 | \$26,041 | 95.0% | 5.9% | 35.0% | 14,532 |
| Total Government | \$31,283 | \$32,017 | 97.7% | 3.6% | 15.7% | 8,377 |

Total Employment and Wage Distribution by Industry Division



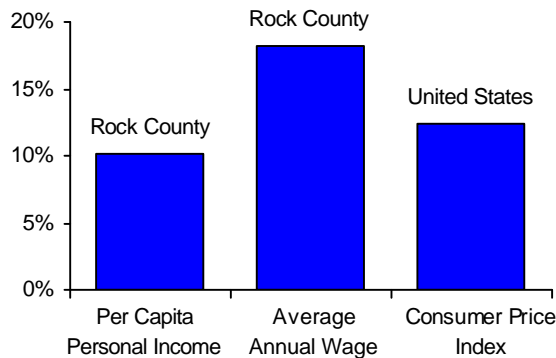
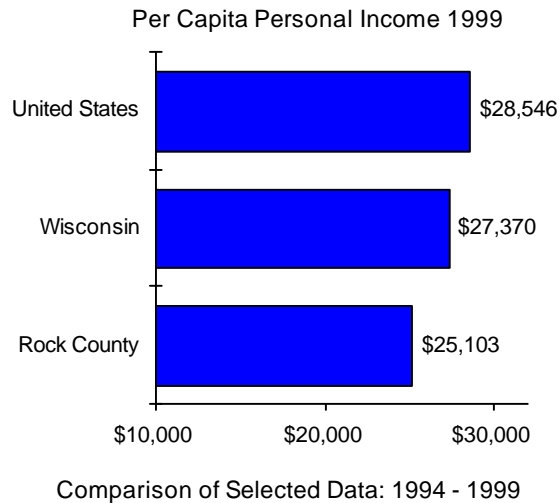
Source: WIDWD, Bureau of Workforce Information, *Employment, Wages and Taxes Due covered by Wisconsin's U.C. Law, Tables 209-211.*

As the chart above demonstrates, the Rock County wage equation is dominated by manufacturing, which accounts for a bit over 40 percent of all wages gained in salaried employment. The differential between the amount of wages gained in this industry and the amount of employment it absorbs can be explained by the domination of larger firms with collective bargaining agreements. The large percentage of manufacturing employment is also a determining factor in raising the annual average wage for all industries above the state-wide level.

The FIRE (finance, insurance, and real estate) industry is one of six industries in Rock County that pay wages below the state average. This industry is relatively small in Rock County, and dominated by small establishments, mainly banks and credit unions. Occupations in the FIRE industry in Rock County are characterized by entry-level and part-time work; in most cases, wages paid are below average for the state. Higher paying-higher profile jobs in the FIRE industry are found in corporate headquarters facilities. Most corporate headquarters for Midwest FIRE industry employers are found in larger metropolitan areas such as; Madison, Chicago, Saint Paul, Milwaukee, and Green Bay.

Average wages in Rock County were 103 percent of the state average in 1999, down for 110 percent in 1998. In 1998 of the industries detailed above, six of them paid wages above the state average. In 1999, three of those industries (transportation, commercial agriculture, and service) fell of that list.

Rock County Wage and Income Data



Per capita income is total income divided by the total number of residents. Income includes wages earned, dividends from investments, and transfer payments from the government. Per capita income can be influenced by the number of wage earners, average family size, and the median age of residents. Per capita income can also determine the type of services and housing available in a given geographic region.

Rock County's per capita personal income of \$25,103 ranked 22nd of Wisconsin's 72 counties during 1999. That represents a decrease from both 1990, where the county ranked 16th and 1998, where the county ranked 19th. The county level of per capita personal income is behind the state and national level, but much higher than any county in the southwest region (including Grant, Green, Iowa, Lafayette, and Richland). The chart to the left reveals that per capita personal income is increasing at a more rapid rate than is the consumer price index, but slower than annual average wages.

While wage and salary income kept pace and stayed ahead of inflation in the 1994-1999 time period as measured by the Consumer Price Index (CPI), Rock County PCPI did not. At the national level PCPI grew by 26.4 percent in the last five years, Rock County growing at less than half that rate, 10.1 percent growth in the 1994-1999 time period.

| | Per Capita Personal Income | | | | | | Percent Change | |
|---------------|----------------------------|----------|----------|----------|----------|----------|----------------|--------|
| | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 1 year | 5 year |
| United States | \$22,581 | \$23,562 | \$24,651 | \$25,874 | \$27,321 | \$28,546 | 4.5% | 26.4% |
| Wisconsin | \$21,699 | \$22,573 | \$23,554 | \$24,791 | \$26,227 | \$27,370 | 4.4% | 26.1% |
| Rock County | \$22,801 | \$24,334 | \$22,292 | \$23,295 | \$24,267 | \$25,103 | 3.4% | 10.1% |

Source: U.S. Dept. of Commerce, Bureau of Economic Analysis, Regional Economic Information System.

Selected Occupational Wage Data

| | Mean | Median |
|--------------------------------|----------|----------|
| Amusement & rec. attendants | \$ 7.22 | \$ 6.53 |
| Cashier | \$ 7.38 | \$ 7.13 |
| Child Care Worker | \$ 7.38 | \$ 6.44 |
| Janitors & Cleaners | \$ 9.83 | \$ 8.92 |
| Line Supervisor, Production | \$ 20.07 | \$ 19.13 |
| Industrial machinery mechanics | \$ 18.25 | \$ 18.28 |
| Nurse Aide/Orderly | \$ 9.82 | \$ 9.84 |
| Procurement Clerk | \$ 12.92 | \$ 12.72 |
| Production Inspector | \$ 14.53 | \$ 13.70 |
| Registered Nurse | \$ 21.57 | \$ 21.46 |
| Retail Salesperson | \$ 9.49 | \$ 7.81 |
| Team Assembler | \$ 9.91 | \$ 8.53 |
| Truck Driver, Light | \$ 9.74 | \$ 8.50 |
| Truck Driver, Tractor Trailer | \$ 15.85 | \$ 14.33 |
| Welder | \$ 15.52 | \$ 14.91 |

Source: DWD, BWI, 2000 OES wage survey for Janesville-Beloit MSA

The wages for the selected occupations in this table were reported by employers in the Janesville-Beloit metropolitan statistical area (MSA) who responded to the Occupational Employment Statistics (OES) survey. Employers from all Wisconsin counties participated in the survey but published data was largely limited to MSA's.

Wages paid for work within a county can impact the type of goods and services which may be purchased. Examining wage structures can be an important part of the hiring process for both job seekers and employers. The mean wage is the sum of all wages divided by the number of wage earners; this is often referred to as an "average". The median wage is the midpoint of all wages; there are exactly the same number of wage earners above and below this wage.